(b) and (c) Do not arise.

Reduction in the rate of interest for rural electrification work by REC

1869. SHRI K.B. KRISHNA MURTHY: Will the Minister of POWER be pleased to state:

(a) whether the government of Karnataka has sought for a reduction in the rate of interest for rural electrification works by Rural Electrification Corporation to 7.5 per cent;

(b) whether this reduction was sought because of remote location of unelectrified hamlets/villages with no corresponding return on huge capital outlays; and

(c) whether the centre has issued any directive to Rural Electrification Corporation to examine the issue?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) to (c) Rural Electrification Corporation (REC) is a financial institution. The rate at which it lends money depends on the cost at which REC is able to raise funds. REC has reduced interest rates on its loans to Power Utilities by 2% during this financial year. Interest rates presently applicable vary from 10% for Dalit Basti schemes to 11.5% for System Improvement Schemes.

Reducing the cost of power supplied to the consumers in Karnataka

1870. SHRI K.B. KRISHNA MURTHY: Will the Minister of POWER be pleased to state:

(a) whether the Government of Karnataka has sought a reduction of rate of return on equity of Centrally owned generating stations to reduce the cost of power supplied to the consumers;

(b) whether by such a step the financial burden of the SEB will be reduced from the existing 16 per cent to a lower level; and

(c) whether the Centre has issued any policy direction to Central Electricity Regulatory Commission?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) Karnataka Power Transmission Corporation Ltd. (KPTCL) in petition pertaining to financial norms for Rate of Return pleaded before Central Electricity Regulatory Commission (CERC) that the rate of return on equity be reduced to 12%

(b) Return on Equity (RoE) is a component of fixed charges and therefore the reduction in Return on equity translates into lower tariff at which power is available to SEBs from CPSU.

(c) No, Sir.

Schemes for rural housing financed by Government

1871. SHRI RAJNATH SINGH 'SURYA': Will the Minister of RURAL DEVELOPMENT be pleased to state:

(a) whether there are many schemes of rural housing financed by Government;

(b) if so, whether it is a fact that some of these overlap in their objectives;

(c) whether Government propose to integrate these schemes; and

(d) the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF RURAL DEVELOPMENT (SHRI SUBHASH MAHARIA): (a) to (d) Ministry of Rural Development is implementing the various Rural Housing Schemes which include Indira Awaas Yojana, Credit-cum-Subsidy rural Housing Scheme, Innovative stream for Rural Housing and Habitat Development, Scheme for Rural Building Centre etc. These Schemes have different objectives, funding pattern and target groups. However, there is a proposal to merge these Schemes into one.